



## Business Performance in Automotive Vehicle Customs Business in Indonesia

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### Abstract

**Purpose:** The purpose of this study is to determine Business Performance in Automotive Vehicle Customs Business in Indonesia. This study uses the RBV basis in analysing phenomena and research findings. The population of this study is the owners of customs workshops throughout Indonesia.

**Method:** The number of samples is determined using the Isaac table equation so that a total sample of 300 respondents is obtained. Data collection uses questionnaires that are distributed offline and online. Data measurement uses answers Strongly Agree, Agree, Disagree, Strongly Disagree, with a rating scale of 1 to 4. Data processing uses the SMART PLS3 application. The results of this study found that Customer Orientation, Adaptive Technology, and Marketing Capability had a positive effect on the Business Performance of custom workshops. This can be seen from the results of the discriminate validity test and the final result of Smart PLS3 data processing.

**Result:** The results of this study found that Customer Orientation, Adaptive Technology, and Marketing Capability had a positive effect on the Business Performance of custom workshops. This can be seen from the results of the discriminate validity test and the final result of Smart PLS3 data processing. The findings of this study support the study that Customer Orientation towards repair shop customers, Adaptive Technology of workshops in the production of custom motorbikes, and Marketing Capability owned by custom repair shops have a good effect in the long term. This is strengthened because the custom workshop is a service industry that prioritizes the needs and desires of its customers, they work and produce based on online and offline market demands apart from the needs of company assets. The use and application of technology in the completion of custom motorbikes will be noticed by the public and their customers. This is the opinion given by the custom builders that I met. They explained that in the production of custom motorcycles, we must meet the needs and wishes of customers, which will affect market demand for custom motorcycle orders that we will work on later. These results support the finding that research on custom builders will increase if we can meet the needs and desires of consumers and markets on a widespread or commercial basis.

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## INTRODUCTION

Business in the automotive sector has an important role in driving the country's superiority in world business competition because the automotive sector is a source of state revenue (Almas, 2022). Thailand's automotive industry is at the top of the market in Southeast Asia with the most production and marketing targets currently and Indonesia has the number two of marketing capability in Southeast Asia (Der, 2018). One of the companies that first built the automotive industry in Indonesia was General Motors, located in Tanjung Priok, Jakarta, which was the first motorcycle assembly manufacturer in Indonesia in 1920 during the Dutch colonial period (Der, 2018). The original Indonesian distributor who first set up an automotive company that started from the interest of a former army Colonel General in the automotive world made him build the factory. In the New Order era, developed countries began to enter the Indonesian automotive market by looking at the needs and attractiveness of the Indonesian people in the automotive sector. One of the automotive companies from developed countries that have dominated the Indonesian market from 1961 until now is the Toyota Motor Corporation, which is spread all over the countryside in Indonesia (Astuti et al., 2015). Starting in 1961, the Indonesian automotive industry began to experience growth, starting with the establishment of a car assembly plant owned by Toyota Astra, as the pioneer of the first generation of Indonesian motor vehicle manufacturers (Ksp, 2012). Development of technology applied to motorized vehicles ranging from 2-stroke, and 4-stroke engine vehicles, to switching to eco-friendly/electric vehicle innovations (Yulia, 2022). Changes from year to year go hand in hand with developments in engine, body, and injection technology in motorized vehicles. The change from a chain drive to a CVT (Continuously Variable Transmission) drive is like on automatic motorbikes (Yulia, 2022). The process of marketing motorcycles is the existence of a stimulus from the manufacturer by looking at the attractiveness of the design, strength, and superiority of the launched motorcycle products (No, 2012). Motor manufacturers generally see the buying interest carried out by someone to dominate the local market and international trade at this time (Sugiyarti, 2013). The motorcycle modification service industry is a manufacturer that has a lot of enthusiasts and consumers, seeing from the fulfilment that has been carried out by custom workshops producing motorbikes according to the needs and interests of each customer (Radifan S, 2018).

The trend of custom motorbike modifications has been increasing since President Jokowi bought a custom Chopper model motorbike from a workshop in the capital city of Jakarta. This has made the demand for custom motorbikes increase along with the great demand from the public with the trend of Indonesian president Jokowi's custom motorbikes (Siregar, 2019). As much as 87.5% of Indonesian people like motorbike modifications so they are willing to decide to change factory standard motorbikes to custom motorbikes such as classic custom and other types of custom motorbikes. Someone does a custom motorcycle because of the desire and support from the people around them (social circle) (Meng-kuan lai, 2013). The safety of custom motorbikes is adjusted to the abilities of each individual or the owner of the custom motorbike by upgrading the delivery system and the comfort of motorbike users (Tosi et al., 2021). Custom motorbikes are a phenomenon of changing people's needs for motorbikes which have turned into a lifestyle (Akintimehin et al., 2019). The application of technology to motorbikes that have been produced is a challenge for the effectiveness of the production of motorbikes that will be issued (Tosi et al., 2021). A company in various industries must be competent in applying the business analysis that is carried out. This must be aligned with the improvements made to improve the company's performance which is better and higher (Gošnik & Stubelj, 2022). Custom workshops are in great demand by the public who want to be creative with the motorbikes they have (Siregar, 2019). Custom workshops have many customers from various regions because of the custom motorbikes they have produced so far (Siregar, 2019). Custom workshops have convenience in selling custom motorbikes or custom factory standardized motorbike services. Custom workshops get a lot of requests for custom motorbikes from consumers which are made into classic motorbikes or other types of motorbike modifications that are not in the

factory (Nisa, 2022). Custom workshops produce custom motorbikes according to orders and their wishes to create creations to penetrate the large and wide motorbike market. The production of custom motorcycles must apply renewable technology that supports smooth production. Judging from the people's interest in the online market, it is easier to adjust to the lifestyle and interests of the community (Rodríguez Bolívar & Alcaide Muñoz, 2022). The phenomenon of the need for custom motorbikes arises due to changes in lifestyle patterns and the millennial generation which are increasing at an advanced point (Burkhart et al., 2021).

In addition, the business phenomena that have been described in this study are also based on gap research findings, Fracchia & Mesquita (2006) found in his research, that business performance is modernized in a market segmentation policy strategy that will produce a positive effect from strengthening the company's market. Whereas another research found that marketing capability did not have a significant effect on 74% of companies in improving their performance, it is necessary to carry out further studies on Market Capability. Setiabudi (2019) found in his research that the application of technology in producing custom motorbikes would simplify the production and sales process. Meanwhile, Bruen et al. (2022) found that adaptive technology applied to agriculture must improve the financial condition of farmers who are lacking. So that the application of the technology does not have a significant effect on farmers. Curtis et al. (2019) found that it is necessary to invest in technology and develop human resources that change business performance. Meanwhile, research according to Huertas-Leyva et al. (2019) found that constraints on the response of motorcycle users in the short term must be supported by maintaining technology on motorbikes which has negative consequences. Tosi et al. (2021) found that companies that already have a brand are companies with a business culture because they follow capitalization. Kreshpaj et al. (2022) found that Market Capability has a significant effect on business performance in terms of faster product sales. Meanwhile, according to Eschenfelder et al. (2019) found in the opinion of Manaf et al. (2013) technology must be adjusted to applicable standards, so that there is no loss of storage devices in the study literature. Ximbo Sun (2021) found that customer orientation is a complement to the company's work process because there is advanced literature on environmental conditions and people's life patterns. Peillon et al. (2018) found that there are difficulties in achieving quotas from implementing customer orientation that is not related to quality modernization and its mediation model.

This study uses the RBV as an updated research base from management literacy studies in conceptualizing organizational resources and connected deployments. RBV emphasizes competitive advantage, work facilities, and decision-making to improve business performance (Rehman et al., 2021) There are conceptual factors that determine input value, value composition, required complements, and institutional views in performance development (Astuti et al., 2015). The view of Resource based view is broadened by the existence of competition mechanisms and business parasites that develop in creating new resources, this will impact the company's reputation (Rehman et al., 2021). Reconnaissance of market competition, strategy for collecting market data, and analysis of industry strengths and weaknesses in global competition that affect Business Performance (Grimaldi et al., 2019). RBV in business competition is measured in Business Performance which includes business competition in the market, the strength of funding sources, and continuous production operations (Rehman et al., 2021). In the RBV, business performance is classified as the highest achievement of the company in business competition (Tukamuhabwa et al., 2021). RBV explained that to win a company, it must be based on market competition capabilities, competitive strategy, company competence, company finances, and cash flow as support for assistance in carrying out the strategy in Business Performance (Rezaei & Ortt, 2018; Morlock & Boßlau, 2021). Business Performance is seen by RBV as a business competence in the success or failure of the market, finances, financial management, and the influence that the company has provided so far (Rehman et al., 2021; Eschenfelder et al., 2019).

The literature in this study focuses more on company profits, market competitive control, and business strategies for winning the business competition (Li Sa et al., 2020; Curtis et al., 2019). RBV

examines how companies create competitive advantage for successful business performance. So when researching business performance, it cannot be separated from resource-based theory. Business Performance will be well controlled by evaluating deviations that occur within the company. In evaluating, it is necessary to pay attention to the company's progress so that can compete and survive in changes in the business environment (Luiz dos Santos & Vieira Marinho, 2018).

This study uses the RBV in the theory of determining Business Performance which is carried out to find out the basis of the research. The process of developing practices, logistical capabilities, and competitive competition with various companies is a study of competitive advantage. Competitive advantage increases in terms of demand capability, management performance, and the ability of information management to provide accuracy (Tukamuhabwa et al., 2021; Lee, 2021; Akintimehin et al., 2019). Increasing market competitiveness is carried out by creating a branding nation strategy to increase differential advantages in regional, national, and international markets for company brands Hamzah et al. (2016). Sustainability orientation in competitive advantage by utilizing creativity, innovation, and inspiring leaders instilling the vision, mission, and goals of the company (Ammirato et al., 2022; Eschenfelder et al., 2019).

According to Peillon et al. (2018) Customer Orientation is providing full service to customer needs. According to Sulonen et al. (2020) the customer is who the target person is and what problems they are facing now. Satisfying and fulfilling customer needs according to current circumstances, places the customer as the leader (Burkhart et al., 2021). Manufacturers provide various kinds of solutions to customer needs, services, and satisfaction to increase customer purchasing performance. Manufacturers put the customer first in the context, of "for all and for the customer" as a form of serving customers (Peillon et al., 2018). Services that are tailored to the main needs of customers are provided by the company in a customer-centric program in service-domain logic or customer service (Table 1). Service is the distribution of services from the company as an agent that provides an important network of complex and adaptive value to the existing competitive environment (Burkhart et al., 2021).

**Table 1.**  
**Customer Orientation and its measurement indicators**

No.	Variable	Indicator	Sources
1	Customer Orientation	a. Job satisfaction b. Service level	Sulonen et al. (2020)
2	Customer Orientation	a. Loyalty b. Customer satisfaction c. Employee service	Peillon et al. (2018)
3	Customer Orientation	a. Customer service/relationship b. Goal adjustment c. Put customers first	Burkhart et al. (2021)

Source : (Sulonen et al., 2020; Peillon et al., 2018; Burkhart et al., 2021)

Good Customer Orientation will reflect good company activity in this case, it will be perceived positively so that it will have a positive effect on Business Performance (Rezaei & Ortt, 2018) custom workshops. Fulfilling customer demands and needs will significantly affect Business Performance. Every custom repair shop should provide services to the needs of the community for the custom motorbikes they want and need (Templer et al., 2020). Customer Orientation is the key to the success of Business Performance custom workshops introducing the latest custom motorcycle products (Hamzah et al., 2016). Based on the explanation regarding the influence relationship between Customer Orientation and Business Performance, the first hypothesis proposed in this study is:  
H1: The higher the customer orientation, the higher the Business Performance

Acquisition of the need to maintain competitive competence in the market to revive the business and develop its human resources (Medase & Barasa, 2019). Adopting new technology makes competition more competitive and a bigger challenge for businesses that have been running for a long time (Zamani, 2022). Research in the context of technology adoption as an aid in retaining the required information, increasing technological surveillance and expanding enterprise management (Zamani, 2022). There need to be adjustments to technological developments that have been taken from existing updates. This is in line with the concept of Adaptive Technology, which links the company's capabilities with technological updates that have been adopted so far (Apostolidis et al., 2022). The decision that is chosen to adopt technology, refers to the level of competitive advantage of the company in managing ideas and their realization (Nkurunziza et al., 2019; Gošnik & Stubelj, 2022). Carrying out technology adoption, adjusted to the strength of the costs and benefits obtained from the appointment of the adoption carried out. Technology adoption explores consumers more and convinces consumers to buy products more in their purchasing decisions (Garrido-Vega et al., 2021). The adoption of new technology has also facilitated mobile payments, technology availability, and consumption of advanced technology (Zamani, 2022). In the process of technology adoption, many challenges and negative and positive effects need to be researched from time to time (Apostolidis et al., 2021).

The emotional state of every employee changes with the adoption of technology in an organization or company (Zheng et al., 2021). There needs to be an adaptive emotional condition of employees in the company in using the technology that has been adopted. Adaptive Technology carried out by employees will affect work results in the company indirectly from responses at work (Table 2). In implementing Adaptive Technology there will be many significant changes to the performance level of employees and companies/organizations as a result of the Adaptive Technology behavior being implemented (Rehman et al., 2021). The existence of Adaptive Technology is more significant when there is a distance and social locking limit between the community and the community or the community and the company (Kabange & Simatele, 2022). Demands of data processing needs and capabilities that require the application of Adaptive Technology with the entry of new machines and individual exploration (Apostolidis et al., 2022).

**Table 2.**  
**Adoption/Adaptive Technology and its measurement indicators**

No.	Variable	Indicator	Source
1	Adoption Technology	a. Globalization b. Market environment c. Network d. Information Systems	Eschenfelder et al., 2019
2	Adaptive Technology	a. Situation consistency b. Individual control c. Individual emotional	Apostolidis et al., 2022

Source : (Apostolidis et al., 2021; Eschenfelder et al., 2019)

Good Adaptive Technology will reflect good company activity in this case, it will be perceived positively so that it will have a positive effect on the Business Performance of custom repair shops (Ukobitz, 2020). The level of Adaptive Technology will affect the Business Performance of custom workshops according to the needs of its customers (Nkurunziza et al., 2019). Adaptive Technology can drive competitive advantage in custom workshop competition to improve service and faster custom motorbike products to customers (Rodríguez Bolívar & Alcaide Muñoz, 2022; Tosi et al., 2021). In developing countries like Indonesia, the use of Adaptive Technology influences the success of Business Performance with quite high scores (Kabange & Simatele, 2022; Nkurunziza et al., 2019)

Based on the description regarding the influence relationship between Adaptive Technology and Business Performance, the first hypothesis proposed in this study is:

H2: The better the Adaptive Technology, the better the Business Performance

An innovation in products in the aspect of change, adding new products, and being able to compete with other company competitors, is called Marketing Capability (Azhar Mohd Harif et al., 2022). Marketing Capability must build product brand competence, consumer improvement, architectural art, and the process of using resources in product innovation performance for certain marketing strategies (Medase & Barasa, 2019). In the ongoing study, Marketing Capability must be valuable, cannot be imitated or replaced, and has a relationship with innovation and company performance in obtaining profits and creating competitiveness at home and abroad. Companies use Marketing Capability to take market opportunities in facing the threat of competition in the performance of new products from the company (Medase & Barasa, 2019; Mouzas & Bauer, 2022). Marketing Capability produces successful relationships between consumers and profitable companies in increasing innovation performance in company competition (Medase & Barasa, 2019).

**Table. 3**  
**Marketing Capability and its measurement indicators**

No.	Variable	Indicator	Source
1.	Marketing Capability	a. Marketing strategy planning	Luiz dos Santos & Vieira Marinho, 2018
		b. Distribution of market information	
		c. Customer service	
		d. Satisfaction from customers	
		e. Customer loyalty	
		f. Management of customer sheets	
		g. Innovation Management	
		h. Products and brands	
		i. Marketing force management	
		j. Distribution channel	
		k. Price composition	
2.	Marketing Capability	a. Marketing management innovation	Medase & Barasa, 2019
		b. New product market power	

Source : Luiz dos Santos & Vieira Marinho, 2018; Medase & Barasa, 2019

A good Marketing Capability will reflect a good company activity, in this case, it will be perceived positively so that it will have a positive effect on the Business Performance of a custom repair shop (Table 3). Maintaining Marketing Capability has a major effect on Business Performance (Medase & Barasa, 2019). Marketing Capability can manage threats beyond the boundaries of Business Performance. This will have a change effect on custom workshops (Rehman et al., 2021; Zieba et al., 2022). The strength of Business Performance is seen from the effectiveness of Marketing Capability which has been implemented so far in Custom workshops (Medase & Barasa, 2019). Based on the explanation regarding the influence relationship between Marketing Capability and Business Performance, the first hypothesis proposed in this study is:

H3: The better the Marketing Capability, the better the Business Performance

Business Performance is interpreted as an assessment of the company's reputation and capacity to adapt to changes in the competitive environment by looking at the results of financial, operational, and comprehensive measurements (Table 4). Consideration of the achievement of value from the work that has been carried out for the last 1-3 years will be the achievement of company goals in obtaining profits and success in business competition (Gošnik & Stubelej, 2022). The failure or success of a company or a business can be seen from the development of Business Performance which has higher

or less strong market control in managing the financial, operational, and effectiveness aspects of the company (Li Sa et al., 2020; Rezaei & Ortt, 2018). Business Performance is referred to as achieving the success of the goal of competing with the company's business competitors. Business Performance is at risk of the required capital, and achievement of the probability of the company will affect competition between the company's industries. That cannot be disturbed, Business Performance is very risky in terms of Profitability, correlation, and return on working capital that has been tested based on ROE (Gošnik & Stubelj, 2022).

**Table 4.**  
**Business Performance and its measurement indicators**

No.	Nama Variable	Indicator	Source
1	Business Performance	a. Return on Equity/profit gain b. Company Operational Margin c. Labor Ratio	Gošnik & Stubelj, 2022
2	Business Performance	a. Finance/capital b. Social Capital	Kabange & Simatele, 2022
3	Bussines Performance	a. Entrepreneurial Orientation b. Marketing Capability	Luiz dos Santos & Vieira Marinho, 2018

Source : Gošnik & Stubelj, 2022; Kabange & Simatele, 2022; Luiz dos Santos & Vieira Marinho, 2018

## RESEARCH METHODS

The research adopts a quantitative approach from surveys conducted with a cross-sectional temporal perspective to achieve accurate results. Tests to obtain the quality of fit from the research model used SmartPLS 3 (Luiz dos Santos & Vieira Marinho, 2018) . Using data from Customfest Jogja 2022 and several custom repair shop owners in Indonesia, a total of 300 custom repair shops. The first part contains business profile variables using short answers and 5 options available, the second part contains Business Performance variables, the third part contains Customer Orientation variables, the fourth part contains Adaptive Technology, and the last part contains Marketing Capability (Table 5). Starting from the second part to the end of each indicator, there are 4 choices you have to choose only 1. The items of this questionnaire are adjusted according to the research conducted by (Pham & Hoang, 2019)

The Questionnaire Survey was created as a collection of empirical data from all custom motor industries in Indonesia. The questionnaire was distributed in hardcopy using the Custom Fest Jogja 2022 event, the Tulungagung MCN (Motor Customs archipelago) Declaration, the 16th Anniversary Minor Fighter Solo, and the Google form. The number of respondent data is unknown, so we took data from 300 custom motorcycle industries throughout Indonesia. For the next stage, the data that has been collected will be analyzed through; the first process of inputting and storing data with Microsoft Exel 2010. The second process is the preparation of data that will be tested to increase the analysis of valid and invalid data. After that is the process of testing the data using SMART PLS3 which will test all the hypotheses of this study. Using the PLS-SEM technique in the SMART PLS3 application by testing the measurement model and testing the research hypothesis (Hair, 2010).

**Table 5.**  
**Variables and Dimensions**

No	Variable Name	Dimensions	Source
1.	Business Performance	a. Business is experiencing Productivity growth b. The business experienced an increase in product sales c. The business experienced an increase in corporate profit gains	Luiz dos Santos & Vieira Marinho, 2018; Templer et al., 2020

No	Variable Name	Dimensions	Source
		d. And, the business is experiencing product market expansion	
2.	Customer Orientation	a. Have the ability to meet customer needs b. Provide good service to customers c. Provide customer satisfaction d. Have customer loyalty	C. C. Lee, 2021; C. K. Lee et al., 2022; Peillon et al., 2018
3.	Adaptive Technology	a. Have influence in the company's market environment b. Has influence in mastering the information network for the company c. Have innovative workmanship/production capabilities d. Has network capabilities	Garrido-Vega et al., 2021; Nkurunziza et al., 2019
4.	Marketing Capability	a. Have the ability to innovate products. b. Have good sales skills c. Have the ability to brand products. d. Have the ability to obtain sales revenue.	Luiz dos Santos & Vieira Marinho, 2018; Rezaei & Ortt, 2018; Sugiyarti, 2013

Source: recapitulation of several articles

## RESULTS & DISCUSSION

Respondents in this study were from custom workshops throughout Indonesia, a total of 350 populations were obtained, and we used 306 samples in this study. Of the 306 samples, 50% of custom workshops have been established for 11-15 years, 23% are aged 6-10 years, 9% are newcomers who have been established for <5 years, 6% have been established for 16-20 years and the rest have been established for 20 more years. Regarding the marketing area they currently have, 19% is in the regency and city areas, 21% is in the Residential market, 30% is in the Provincial market and the rest is in the national market. The age of custom motorbike builders in Indonesia today is 22 – 60 years. From the results of age, marketing area and the length of time the custom workshop business has been running, it is stated that they are classified as builders who already have sufficient experience and the development of a custom business is classified as high or good.

From the results of data processing using the Smart PLS3 application, the following results are obtained (Table 6) Validity test results.

**Table 6.**  
**Fornell-Larcker Criterion**

	AT	BP	CO	MC
AT	0,685			
BP	0,510	0,587		
CO	0,555	0,533	0,640	
MC	0,524	0,460	0,497	0,625

Source: Results of Smart PLS3 processing

The results of the discriminate validity test with the Smart PLS3 application that I use, the results show that the relationship of all variables is valid with a positive number. It can be seen in table 7 that with a standard deviation of 0.05, the overall value is not negative or below 0.05. So, I can continue and process the questionnaire data that I have to find the results of the influence of the Customer Orientation, Adaptive Technology, and Marketing Capability variables on the Business Performance variable for custom workshops throughout Indonesia. Customer Orientation has a validity value of 0.533 on the Business Performance of custom workshops which has a positive value (Templer et al., 2020). This means, if a custom repair shop wants to improve its business performance, it must be



customer oriented. Customer Orientation will encourage an increase in the Marketing Capability of companies, especially service companies (Templer et al., 2020), as the result of this discriminant validity is 0.497 which has a positive value. Customer Orientation will pleasure customers and workers who will reduce work stress resulting in negative work results (Grimaldi et al., 2019; Templer et al., 2020). Meanwhile, Adaptive Technology has a positive effect on the Business Performance of custom workshops from the results of the discriminate validity test. The use of technology in custom workshop production will attract the interest of consumers so it will affect the Business Performance of custom workshops. Customers generally qualify for this workshop to be seen from the use of technology (Hamzah et al., 2016). This will be illustrated by how the workshop meets customer needs and requests for their orders from the innovations they can provide (Bruen et al., 2022; Zamani, 2022). This is consistent with the results of the discriminant validity of Adaptive Technology for Customer Orientation of 0.555 which has a positive value (Li Sa et al., 2020). This means that the technology owned by custom workshops will make customers accept the products they make, and provide competitive advantages, fast and efficiently for custom workshops (C. C. Lee, 2021; Tukamuhabwa et al., 2021; Zamani, 2022). Meanwhile, the discriminant validity results of Marketing Capability to Business Performance are 0.460 with a standard deviation of 0.05 which is positive. This means that the data results are valid and acceptable because Marketing Capability will have a direct effect on Business Performance for custom workshops. These positive results were obtained from the Marketing Capability results which provided positive financial success for custom workshops (Medase & Barasa, 2019). Some builders argue that if we can master Marketing Capability, we will have better foresight. This will enable us to survive technological changes or Adaptive Technology which is reflected in the discriminate validity table of 0.524, which means having an attachment above the standard of 0.5. The significance of Business Performance will be shown by the Marketing Capability possessed by the current custom repair shop (Medase & Barasa, 2019; Rodríguez Bolívar & Alcaide Muñoz, 2022).

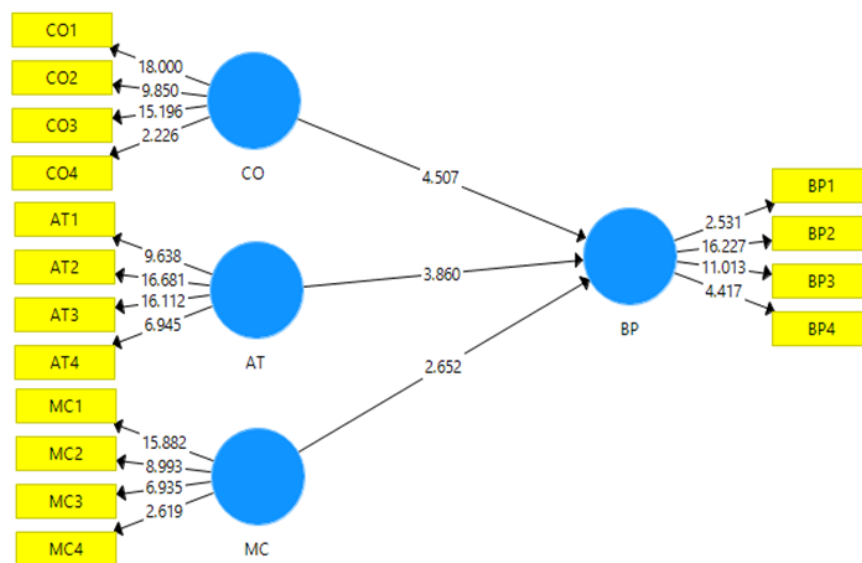
**Table 7.**  
**Final Result coefficient Mean, STDEV, T-Values, P-Values**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
AT - > BP	0,246	0,250	0,064	3,839	0,000
CO - > BP	0,309	0,314	0,068	4,549	0,000
MC - > BP	0,177	0,180	0,067	2,644	0,008

Source: Results of Smart PLS3 processing

The results of testing the data with the Smart PLS application show that Customer Orientation has a significant effect of 4.549 from the STDEV results. Customer Orientation encourages us as builders to be people who continue to learn and try to provide our willingness and introduction to the customers we have (Li Sa et al., 2020). A service company needs to understand and apply Customer Orientation as important information for the future development of custom workshops (Morlock & Boßlau, 2021; Sulonen et al., 2020). This is appropriate if we implement Customer Orientation because some builders say that if we can develop because of customers, it is very important for us to understand the needs and wants of our customers (Sulonen et al., 2020). Furthermore, for Adaptive Technology from the results of table 7, states a positive significant value of 3.839 for the Adaptive Technology variable on the Business Performance of custom workshops. This is because, as the automotive industry and SMEs (Kabange & Simatele, 2022; Rehman et al., 2021; Rezaei & Ortt, 2018), custom workshops must be able to carry out Adaptive Technology in the production activities of custom motorcycles for their customers (Zamani, 2022). In custom workshops, technology is used

to support workshop needs which will reduce the total cost of custom workshops (Tosi et al., 2021; Zamani, 2022). This is supported by the opinion of the builders that we in the production of custom motorbikes must have production innovations by utilizing manual technology or what we have becomes a business advantage. Technology directly affects the size of the industry and employees according to class and type from the correlation results (Zamani, 2022). Meanwhile, Marketing Capability gets a significant positive value of 2.644 on the Business Performance of custom repair shops. These results support that the reflection of company competence in taking advantage of market opportunities and competitive threats in current market conditions is determined by Marketing Capability (Medase & Barasa, 2019; Morlock & Boßlau, 2021). Some builders say that Marketing Capability in custom service competition lies in custom motorcycle product innovation and the ability to retain customers. Marketing Capability is owned if the custom workshop has innovative products that cannot be imitated, have high selling values, and can compete in local and national markets (Medase & Barasa, 2019; Mouzas & Bauer, 2022). Marketing Capability will make product innovation more competitive and produce new product marketing methods for custom motorbikes for custom workshop builders (Medase & Barasa, 2019).



**Figure 1. Results of Smart PLS3 processing**

Based on figure 1, CO (Customer Orientation) has an effect of 4.507 on BP (Business Performance), where the result is positive because meeting customer needs is a priority for the service industry (Sulonen et al., 2020). Custom builders producing custom motorbikes will prioritize the desires, abilities, and needs of customers. Custom workshops will make light and simple vehicles according to current needs (Burkhart et al., 2021) which will make it easier for people to drive mobility. Sulonen, Riekkinen, and Kotilainen 2020) support that Customer Orientation is the key to the success of the Business Performance of the service industry such as custom repair shops that provide the needs of motorized vehicles for the community. The value of AT (Adaptive Technology) has a significant positive effect of 3.860 on BP (Business Performance). Where these results are by the application of technology in almost all service and production industries that use new or old technology. Adjusting the use of technology during production carried out by several industries or companies currently looking at how the selling value is and what products they produce. Like custom motorbikes, in the production of custom workshops using various kinds of tools and methods or expertise in making shapes according to the drawings and wishes of its customers. This cannot be separated from the use

of tools used by custom workshops in their daily custom motorbike production activities. The new technology will be guided by some SMEs whose use will be adapted personally (Zamani, 2022). Adaptive Technology is a dynamic matter whose process and application will be adjusted along with the digitalization era and affect the life of the industry or company (Apostolidis et al., 2022). Adaptive Technology provides Business Performance competitive capabilities in digital transformation efficiently and influences more comprehensive performance. The value of MC (Marketing Capability) to BP (Business Performance) is 2.625 which is positive, so it is concluded that Marketing Capability has a significant positive effect on Business Performance. The results of the hypothesis test conducted by Luiz dos Santos & Vieira Marinho (2018) found that the significance value is positive and is the variable that has the greatest influence on Business Performance. This is presumably due to other achievements desired by the industry or company which are supported by a P value of 0.008 which is greater than the P Values on Customer Orientation and Adaptive Technology. Luiz dos Santos & Vieira Marinho (2018)) believe that the greater the investment from the Marketing Capability industry and the company, the greater the perceived profitability. This is also reinforced by the opinions of the custom builders that I used as respondents, they believe that if we can master good Marketing Capability it will also bring good profits to our custom workshops. This is a strengthening of the results of the research that I used, in addition to answers in the form of a questionnaire, I received various opinions and additional support for the answers that I gave and wrote in the results of this research.

## CONCLUSION

Orientation from workshop customers, Adaptive Technology capabilities used by custom workshops, and the Marketing Capability of custom workshops. This is because, custom workshops are SMEs and businesses in the field of standard motorbike modification services to Japstyle, Chopper, Bobber, Moge, Brapstyle, Caferacer, old-school motorbikes, or even restoration types. This supports the results of this study, where all the variables used in this study have a positive effect on the business performance of custom repair shops. In the future, the custom repair shop business will grow due to good customer orientation, adaptive technology in the production of custom motorbikes, and marketing capabilities for custom services and motorbike modifications. The limitations of the research I conducted were that almost all of the data I obtained was from offline questionnaires, the description of the indicators I used was not easily understood by the respondents, and I did not write down the names of the respondents, because it was a closed study. Meanwhile, to cover the deficiencies in this research, I took advantage of several events that were held to gather builders, and when I gave the questionnaire I could find out what the answers meant for each builder globally, they could help me find weaknesses in the questionnaire I made and there was an explanation phenomenon that helps the results of this research later. Regarding the respondent's description, I do not limit the respondent's area, age, marketing area, and length of business. It's just that in the description that I wrote, I made a range to make it easier for me to group the respondents in my research. Here, I suggest to researchers do more research on their theory, understand the character and object of the research to be carried out, be able to analyze the respondents, and be able to strengthen the research results even better. Add the name of the respondent and who is the main reference for the object to be compared and examined. With my research, I hope it will help builders who read or students who want to create a service industry to put consumers first and focus more on their products for their consumers and society.

## AUTHOR CONTRIBUTION

**Herma Rio Candra Saputra:** Conceptualization, Data curation, Methodology, Writing–original draft, **Adi Santoso:** Conceptualization, Data collection and analysis, Writing, Review, Editing. **Dwi Warni Wahyuningsih:** Review and Editing.

## DECLARATION OF INTEREST

The authors affirm that they have no known financial or interpersonal conflicts that would have appeared to impact the research presented in this study.

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